



Departmental Notice #6

June 23, 2000

Indiana Sales Tax Levied on Motor Fuel Suspension of the tax beginning July 1, 2000, for an initial period of up to 60 days

This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this Notice is to provide general information about the suspension of sales tax collections on motor fuel.

On June 20, Governor Frank O'Bannon, acting under his executive authority, announced that he would declare an energy emergency to deal with the increasingly high prices charged for motor fuel in Indiana. The Governor will suspend, effective July 1, the sales tax on motor fuel, relying on the Energy Emergency Statute found at IC 10-4-1-7.1 and 7.2. Under this statute, the Governor may declare an energy emergency for up to 60 days, and he is allowed to terminate the suspension prior to the end of the 60-day period.

The purpose of the Governor's declaration is to directly encourage distributors and retailers to reduce the retail price of motor fuel to the end consumer by removing the 5% sales tax from stationary metered pump prices. The suspension of sales tax on motor fuel applies to those types of fuel required to be reported on Forms ST-103MP (Schedule A, Line 1) and on ST-103P, such as gasoline, aviation and marina fuel, gasohol, high-octane racing fuels and diesel fuel sold through a metered pump. The suspension also applies to bulk sales.

This suspension will entail various temporary changes, both for the Department and for distributors and retailers of motor fuel. Essentially, the suspension of sales tax levied on motor fuel will also temporarily suspend the prepaid sales tax system whereby retailers prepay the sales tax to distributors, who in turn remit the sales tax to the Department twice a month. Also, the sales tax collection allowance will continue in force during the tax suspension, so you should continue to fill in Form ST-103MP, Schedule A to identify that amount. Note: See instructions for important changes.

As of Sunday, June 25, 2000, 12:01 AM, distributors will no longer be required to collect prepayment of sales tax, and retailers will not be required to pay the distributors this amount during this sales tax suspension. Retail sales tax on the purchase price of motor fuel at the metered pump will still be collected and remitted to the State between June 25, 2000 through July 1, 2000, 12:01 AM. These collections will be reported accordingly on Form ST-103MP.

Motor fuel distributors and retailers who have questions about the mechanics and procedures involved in the sales tax suspension should telephone the Department at: (317)232-2339.

Kenneth L. Miller
Commissioner

Instructions for Completing Form ST-103P and ST-103MP
Under the Sales Tax Suspension
Attachment to Departmental Notice #6

Revised 06/26/00

ST-103P

For the month of June complete the ST-103P for tax period 06/30/2000 as usual.
Mail the completed form to the Department.

For the months of July and August, you will be required to complete and submit Form ST-103P.

Complete Line 1 through 6.

Line 7 – Enter the amount from line 4 (Prepaid Sales Tax Due) as a negative amount. Any additional adjustments added on this line require a written explanation that must be attached to the form when submitted.

Mail the completed form to the Department.

ST-103MP

For the month of June complete the ST-103MP for tax period 06/30/2000 as usual.
Mail the completed form to the Department.

For the months of July and August, you will be required to file Form ST-103MP. Schedule A will be completed as if sales tax were due.

Complete Lines 1 through 8.

Line 9 - **Important change**, divide the total of line 8 by **20** (not 21). This is done because sales tax is not included in your gross sales.

Complete Lines 10 through 14. Carry the amount from Line 10 to Line O and Line 14 to Line I. This will allow for the collection allowance. Note: Line 13 will be zero (-0-).

Line O – Enter the amount from Schedule A, Line 10 as a negative amount. Any additional adjustments added on this line require a written explanation that must be attached to the form when submitted.

Mail the completed form to the Department.

Important Information

Forms ST-103P and ST-103MP must be filled out and mailed during the suspension period. If you file other than on a monthly basis, a separate form will be supplied to report the sales during the time the tax was suspended.